Telecommunications Oversight 2017: A State Perspective

Sherry Lichtenberg, Ph.D.
Principal Researcher - Telecommunications

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Today’s discussion will cover . . .

- Status of State oversight of wired and IP-enabled telecommunications - 2017
  - Limits on wireline oversight – legislation and commission rulemakings
  - Limits on oversight of IP-enabled services – including VoIP
  - 2017 legislation

- The 2017 NRRI Regulation Survey – key findings
  - Deregulation doesn’t necessarily mean no regulation
  - Oversight persists in key areas – carrier certification, emergency services, customer complaints

- Areas for state focus going forward
Survey findings:
Telecommunications Oversight: 2017

- 47 states responded to the NRRI survey
- 38 states have reduced or limited jurisdiction over wireline telecommunications
  - 35 states legislated limitations on oversight
  - 3 states (Iowa, Pennsylvania, New Jersey) limited oversight via commission proceedings
- 40 states have limited jurisdiction over IP-enabled service
  - 34 states have passed legislation or rules limiting oversight
  - 6 states have chosen not to exercise jurisdiction
  - Litigation is pending in Minnesota and Vermont
- 6 states passed new or updated legislation limiting regulation
  - Arizona, Illinois, Kentucky, New Mexico, Utah, and West Virginia
- Despite deregulatory legislation, oversight persists in key areas

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Nov-2017
Oversight of IP-enabled Services - 2017

IP-Enabled Services Oversight: 2017

*IP-provider oversight decision pending

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State legislatures continued to address telecommunications oversight in 2017

- Arizona SB 1217
  - Oversight continues but regulation must be “technology neutral”
- Illinois Act 100-20
  - Roadmap for the transition to IP-enabled service
- Kentucky HB 152
  - Extend oversight reductions across entire state
- New Mexico SB 53
  - Extend limitations on Commission oversight to large providers
- Utah HB 59
  - Eliminate oversight in areas with “effective competition”
- West Virginia SB 180
  - Limit commission oversight of IP-enabled services, including “services that provide voice, data, and video”
  - Removes Commission jurisdiction of intra-company asset sales
Survey responses paint a more nuanced oversight picture

- Reduced regulation is not NO regulation
  - Changes in technology have limited but not removed all oversight
  - State PUCs exert oversight in key customer-facing areas
- Retail oversight
  - Carrier certification/registration
  - Emergency services
  - ETC and Lifeline designation
  - USF contribution
  - Consumer complaints
- Wholesale oversight
  - Interconnection
  - Carrier disputes
  - Other FCC-designated areas
VoIP providers must register to obtain access to rights of way, numbering, and other state services

<table>
<thead>
<tr>
<th>VoIP carrier registration required</th>
<th>CA, GA, HI, ID, IL, IN, KY, LA, ME, MI, MO, MT, ND, NE, NJ, OH, PA, RI, SC, SD, WA, WV, WI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Optional registration</td>
<td>AZ, CO, FL, NH, NV</td>
</tr>
<tr>
<td>No VoIP registration requirement</td>
<td>AK, AL, AR, DC, DE, KS, MA, MD, MS, NY, OK, TX, UT, VA, WY</td>
</tr>
<tr>
<td>Other registration type</td>
<td>OR (License)</td>
</tr>
<tr>
<td>Decision pending</td>
<td>MN, VT</td>
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Oversight of service quality persists, but is more limited for VoIP

<table>
<thead>
<tr>
<th>Wireline Quality of Service Oversight</th>
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<tbody>
<tr>
<td>Quality of service oversight (23)</td>
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<tr>
<td>Limited oversight (9)</td>
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<tr>
<td>No oversight (15)</td>
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<th>VoIP Quality of Service Oversight</th>
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<tbody>
<tr>
<td>Quality of service oversight (5)</td>
</tr>
<tr>
<td>Limited oversight (4)</td>
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<tr>
<td>No oversight (36)</td>
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<tr>
<td>Pending decision (2)</td>
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### 43 states retain wireline complaint oversight

<table>
<thead>
<tr>
<th>Process wireline complaints (10)</th>
<th>AK, AR, DC, MO, ND, NY, OH, PA, VA, WV</th>
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<tbody>
<tr>
<td>Refer complaints (18)</td>
<td>AL, CO, FL, GA, IA, IL, KY, LA, MA, MD, MI, MS, NH, NM, OR, RI, SC, WY</td>
</tr>
<tr>
<td>Refer/adjudicate complaints (12)</td>
<td>AZ*, CA, IN, MN, MT, NE, NV, OK, SD, UT, VT, WA</td>
</tr>
<tr>
<td>Limited (3)</td>
<td>KS, ME**, WI***</td>
</tr>
<tr>
<td>No oversight (3)</td>
<td>DE, HI, NC, TX</td>
</tr>
<tr>
<td>No response (4)</td>
<td>CT, ID, NJ, TN</td>
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* AZ may refer complaints to the state AG
** ME adjudicates complaints only against carriers of last resort
*** WI limited to complaints about Lifeline and numbering
22 States retain at least some oversight of VoIP complaints

<table>
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<th>Process VoIP complaints</th>
<th>SD, WA</th>
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<td>AL, AZ, FL, GA, IA, LA, ND, NE, NH, OH, OR, RI, VA</td>
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<tr>
<td>Refer/adjudicate complaints</td>
<td>MT</td>
</tr>
<tr>
<td>Limited to BLS and Lifeline</td>
<td>CO, MO, NV, PA, SC, WI</td>
</tr>
<tr>
<td>No oversight</td>
<td>AK, AR, CA, DC, DE, HI, IL, IN, KS, MA, MD, ME, MI, MS, NC, NM, NY, OK, TX, UT, WV, WY</td>
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Areas for State focus as the transformation to broadband networks continues

- Collect and evaluate customer complaint data
  - Complaint data can identify problem areas that Commissions and companies need to resolve
  - Data may also identify areas where competition may not yet be an adequate substitute for regulation

- Broaden outage reporting
  - Use outage data to evaluate and improve service quality and reliability

- Listen to customers and providers to identify and meet customer needs
  - “Crowd source” consumer data to track service availability and reliability
  - Seek customer input on affordability